

HOUSE BILL No. 1128

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-14-1-3; IC 9-16-1.

Synopsis: Bureau of motor vehicles funding. Prohibits money collected for the motor vehicle highway account fund from being used to augment the budget of the bureau of motor vehicles commission. Provides that a commercial driving school approved by the commission is a qualified person that may contract with the commission to provide driving tests at a walk-up location. Appropriates \$44,396,665 from the state general fund to the motor vehicle highway fund to repay the amounts used to augment the budget of the bureau of motor vehicles commission since 1988.

Effective: July 1, 1999.

Goeglein, Foley, Ruppel

January 6, 1999, read first time and referred to Committee on Ways and Means.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1128

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-14-1-3 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1999]: Sec. 3. **(a) The money collected for the**
3 **motor vehicle highway account fund may not be used to augment**
4 **the budget of the bureau of motor vehicles commission.**

5 **(b)** The money collected for the motor vehicle highway account
6 fund and remaining after refunds and the payment of all expenses
7 incurred in the collection thereof, and after the deduction of the amount
8 appropriated to the department for traffic safety and after the deduction
9 of one-half (1/2) of the amount appropriated for the state police
10 department, shall be allocated to and distributed among the department
11 and subdivisions designated as follows:

12 (1) Of the net amount in the motor vehicle highway account the
13 auditor of state shall set aside for the cities and towns of the state
14 fifteen percent (15%) thereof. This sum shall be allocated to the
15 cities and towns upon the basis that the population of each city
16 and town bears to the total population of all the cities and towns
17 and shall be used for the construction or reconstruction and



1 maintenance of streets and alleys and shall be annually budgeted
 2 as now provided by law. However, no part of such sum shall be
 3 used for any other purpose than for the purposes defined in this
 4 chapter. If any funds allocated to any city or town shall be used by
 5 any officer or officers of such city or town for any purpose or
 6 purposes other than for the purposes as defined in this chapter,
 7 such officer or officers shall be liable upon their official bonds to
 8 such city or town in such amount so used for other purposes than
 9 for the purposes as defined in this chapter, together with the costs
 10 of said action and reasonable attorney fees, recoverable in an
 11 action or suit instituted in the name of the state of Indiana on the
 12 relation of any taxpayer or taxpayers resident of such city or town.
 13 A monthly distribution thereof of funds accumulated during the
 14 preceding month shall be made by the auditor of state.

15 (2) Of the net amount in the motor vehicle highway account, the
 16 auditor of state shall set aside for the counties of the state
 17 thirty-two percent (32%) thereof. However, as to the allocation to
 18 cities and towns under subdivision (1), and as to the allocation to
 19 counties under this subdivision in the event that the amount in the
 20 motor vehicle highway account fund remaining after refunds and
 21 the payment of all expenses incurred in the collection thereof and
 22 after deduction of any amount appropriated by the general
 23 assembly for public safety and policing shall be less than
 24 twenty-two million six hundred and fifty thousand dollars
 25 (\$22,650,000), in any fiscal year then the amount so set aside in
 26 the next calendar year for distributions to counties shall be
 27 reduced fifty-four percent (54%) of such deficit and the amount
 28 so set aside for distribution in the next calendar year to cities and
 29 towns shall be reduced thirteen percent (13%) of such deficit.
 30 Such reduced distributions shall begin with the distribution
 31 January 1 of each year.

32 (3) The amount set aside for the counties of the state under the
 33 provisions of subdivision (2) shall be allocated monthly upon the
 34 following basis:

35 (A) Five percent (5%) of the amount allocated to the counties
 36 to be divided equally among the ninety-two (92) counties.

37 (B) Sixty-five percent (65%) of the amount allocated to the
 38 counties to be divided on the basis of the ratio of the actual
 39 miles, now traveled and in use, of county roads in each county
 40 to the total mileage of county roads in the state, which shall be
 41 annually determined, accurately, by the department.

42 (C) Thirty percent (30%) of the amount allocated to the



counties to be divided on the basis of the ratio of the motor vehicle registrations of each county to the total motor vehicle registration of the state.

All money so distributed to the several counties of the state shall constitute a special road fund for each of the respective counties and shall be under the exclusive supervision and direction of the board of county commissioners in the construction, reconstruction, maintenance, or repair of the county highways or bridges on such county highways within such county.

(4) Each month the remainder of the net amount in the motor vehicle highway account shall be credited to the state highway fund for the use of the department.

(5) Money in the fund may not be used for any toll road or toll bridge project.

(6) Notwithstanding any other provisions of this section, money in the motor vehicle highway account fund may be appropriated to the Indiana department of transportation from the forty-seven percent (47%) distributed to the political subdivisions of the state to pay the costs incurred by the department in providing services to those subdivisions.

(7) Notwithstanding any other provisions of this section or of IC 8-14-8, for the purpose of maintaining a sufficient working balance in accounts established primarily to facilitate the matching of federal and local money for highway projects, money may be appropriated to the Indiana department of transportation as follows:

(A) One-half (1/2) from the forty-seven percent (47%) set aside under subdivisions (1) and (2) for counties and for those cities and towns with a population greater than five thousand (5,000).

(B) One-half (1/2) from the distressed road fund under IC 8-14-8.

SECTION 2. IC 9-16-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this chapter, "qualified person" means any of the following:

(1) A motor club that is any of the following:

(A) A domestic corporation.

(B) A foreign corporation qualified to transact business in Indiana under IC 23-1 or IC 23-17.

(2) A financial institution (as defined in IC 28-1-1-3).

(3) A new motor vehicle dealer licensed under IC 9-23-2.

(4) A commercial driving school approved by the commission.



(4) (5) Other persons, including persons licensed under IC 9-23-2 that are not covered by subdivision (3), that the commission determines can meet the standards adopted by the commission under IC 9-15-2-1(7) and the requirements for partial service contractors under section 4.5 of this chapter.

SECTION 3. IC 9-16-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) The commission may contract with a qualified person for:

- (1) the operation of a full service license branch under this section; or
- (2) ~~providing~~ **the provision of** partial services under section 4.5 of this chapter.

(b) A contract for the operation of a full service license branch must include the following provisions:

- (1) The contractor shall provide a full service license branch, including the following services:
 - (A) Vehicle titles.
 - (B) Vehicle registration.
 - (C) Driver's licenses.
 - (D) Voter registration as provided in IC 3-7.
- (2) The contractor shall provide trained personnel to properly process branch transactions.
- (3) The contractor shall do the following:
 - (A) Collect and transmit all bureau fees and taxes collected at the license branch.
 - (B) Deposit the taxes collected at the license branch with the county treasurer in the manner prescribed by IC 6-3.5 or IC 6-6-5.
- (4) The contractor shall generate a transaction volume sufficient to justify the installation of bureau support systems.
- (5) The contractor shall provide fidelity bond coverage in an amount prescribed by the commission.
- (6) The contractor may operate the license branch within a facility used for other purposes.
- (7) The contractor shall pay the cost of any post audits conducted by the commission or the state board of accounts on an actual cost basis.
- (8) The commission shall provide support systems and driver's license examiners on the same basis as state operated branches.
- (9) The commission shall provide the same equipment to contractors as is provided to state operated branches.
- (10) The commission must approve each location and physical



1 facility based upon criteria developed by the commission.

2 (11) The term of the contract must be for a fixed period.

3 (12) The contractor shall agree to provide voter registration
4 services and to perform the same duties imposed on the
5 commission under IC 3-7.

6 SECTION 4. IC 9-16-1-4.5 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4.5. (a) The
8 commission may contract with a qualified person to provide partial
9 services at a qualified person's walk-up location, including locations
10 within a facility used for other purposes. ~~such as electronic titling and~~
11 ~~title application services and self-serve terminal access.~~

12 **(b) A contractor providing partial services under this section**
13 **may offer the following services at the contractor's walk-up**
14 **location:**

15 **(1) Electronic titling and title application services.**

16 **(2) Motor vehicle registration and renewal services.**

17 **(3) Driving tests.**

18 **(4) Any other service provided at a full service license branch**
19 **that the commission determines may be provided at a walk-up**
20 **location without increasing the cost of providing the service.**

21 **(c) A contractor may use a self-serve terminal to provide**
22 **services under this section.**

23 ~~(b)~~ **(d)** A contract for providing motor vehicle registration and
24 renewal services at a walk-up location must include the following
25 provisions:

26 (1) The contractor must provide trained personnel to properly
27 process motor vehicle registration and renewal transactions.

28 (2) The contractor shall do the following:

29 (A) Collect and transmit all bureau fees and taxes collected at
30 the contract location.

31 (B) Deposit the taxes collected at the contract location with the
32 county treasurer in the manner prescribed by IC 6-3.5 or
33 IC 6-6-5.

34 (3) The contractor shall provide fidelity bond coverage in an
35 amount prescribed by the commission.

36 (4) The contractor shall pay the cost of any post audits conducted
37 by the commission or the state board of accounts on an actual cost
38 basis.

39 (5) The commission must approve each location and physical
40 facility used by a contractor.

41 (6) The term of the contract must be for a fixed period.

42 **(e) The commission shall recommend to the bureau proposed**



1 rules to be adopted under IC 4-22-2 for the provision and
2 certification of driving tests provided by a contractor under this
3 section.

4 SECTION 5. [EFFECTIVE JULY 1, 1999] (a) There is
5 appropriated to the motor vehicle highway fund forty-four million
6 three hundred ninety-six thousand six hundred sixty-five dollars
7 (\$44,396,665) from the state general fund to repay the amounts
8 used to augment the budget of the bureau of motor vehicles
9 commission since 1988. This appropriation is for the period
10 beginning July 1, 1999, and ending June 30, 2001.

11 (b) This SECTION expires July 1, 2001.

12 SECTION 6. [EFFECTIVE JULY 1, 1999] (a) There is
13 appropriated to the motor vehicle highway fund the amount
14 necessary from the state general fund to pay interest on the amount
15 of motor vehicle highway fund money used to augment the budget
16 of the bureau of motor vehicles commission since 1988. This
17 appropriation is for the period beginning July 1, 1999, and ending
18 June 30, 2001.

19 (b) This SECTION expires July 1, 2001.

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